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UNCLAS THE HAGUE 001900

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E.O. 12958 N/A

TAGS: [ETTC](#) [IZ](#) [NL](#) [UNSC](#)

SUBJECT: IRAQI ASSETS: DUTCH POSITION ON FREEZING AND  
CONFISCATION

REF: a) State 186972 B) State 211439

(U) MinFin officials told us that Finance Minister Zalm sent the following letter to Secretary Snow in response to communication in ref A.

Begin Text of Letter

(U) In reply to your letter of 27 June, I would like to assure you that the Netherlands fully supports the provisions laid down in United Nations Security Council Resolution 1483 and is taking steps to implement them in our legal and financial system.

(U) An EU-regulation recently came into force stipulating that all funds and economic resources of the previous government of Iraq and of any public bodies, corporations, including companies established under private law in which the public authorities have a majority stake, should be frozen. Also all funds and economic resources belonging to, or owned by or held by former president Saddam Hussein, senior officials of his regime, immediate members of their families or any legal persons or entities owned or controlled by these persons should be frozen. This EU-regulation has now the force of law in the Netherlands. All financial institutions in the Netherlands will be informed by the financial supervisors of the new regulations.

(SBU) Funds and economic resources that are frozen pursuant to the EU-regulation mentioned above shall only be unfrozen for the purpose of their transfer to the Development Fund of Iraq, under the conditions set out in UNSCR 1483 (2003). Before funds and other economic resources can be transferred they will have to be confiscated. At this moment, according to Dutch law, confiscation of (any) funds is only possible after a criminal conviction. In order to be able to confiscate and transfer funds to the Development Fund of Iraq, new legislation will be drafted which will enable us to confiscate funds and resources without a conviction of the owners of the funds.

END TEXT OF LETTER

Russel